

Chapter 7

Subcontracting

Section 1. Prime Contracting Responsibilities

7-100. General. This section addresses the responsibilities and authorities of prime contractors concerning the release of classified SAP information to subcontractors. Prior to any release of classified information to a prospective subcontractor, the prime contractor will determine the scope of the bid and procurement effort. Prime contractors will use extreme caution **when** conducting business with **non-Program-briefed** subcontractors to preclude the release of information that would divulge Program-related (classified or unclassified Program sensitive) information.

7-101. Determining Clearance Status of Prospective Subcontractors. *AU prospective subcontractor personnel will have the appropriate security clearance and meet the investigative criteria as specified in this Supplement prior to being briefed into a SAP.* The eligibility criteria will be determined in accordance with the NISPOM and **this** Supplement. For acknowledged Programs, in the event a prospective subcontractor does not have the appropriate security clearances, the prime contractor will request that the cognizant PSO initiate the appropriate security clearance action. A determination will be made in coordination with the PSO as to the levels of facility clearance a prospective subcontractor facility has for access to classified information and the storage capability level.

7-102. Security Agreements and Briefings. In the pre-contract phase, the prime contractor **will** fully advise the prospective subcontractor (prior to any release of SAP information) of the procurement's enhanced special security requirements. Arrangements for subcontractor Program access will be **pre-coordinated** with the PSO. When approved by the PSO, the prime contractor CPSO will provide Program indoctrinations and obtain NDAs from the subcontractors. A security requirements agreement will be prepared that specifically addresses those enhanced security requirements that apply to the subcontractor. The security requirements agreement may include the **following** elements, when applicable:

a. General Security Requirements.

- b. Reporting Requirements.
- c. Physical **and/or** Technical Security Requirements.
- d. Release of Information.
- e. Program Classified Control or Accountability.
- f. Personnel Access Controls.
- g. Security Classification Guidance.
- h. Automated Information System.
- i. Security Audits and Reviews.
- j. Program Access Criteria.
- k. Subcontracting.
- l. Transmittal of Program Material.
- m. Storage.
- n. Testing and/or Manufacturing.
- o. Program Travel.
- p. Finances.
- q. **Sanitization** of Classified Material.
- r. Security Costs and Charging Policy.
- s. Fraud, Waste, and Abuse Reporting.
- t. Test Planning.
- u. **OPSEC**.
- v. **TEMPEST**.

7-103. Transmitting Security Requirements.

Contract Security Classification Specifications prepared by the prime contractor will be coordinated with the GPM/PSO and contracting officer prior to transmitting to the subcontractor. Contract Security Classification Specifications prepared by the prime contractor will be forwarded to the GPM/PSO and contracting officer for coordination and signature.